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**EAST BATON ROUGE PARISH
ASSESSOR'S OFFICE
BATON ROUGE, LOUISIANA**

FINANCIAL REPORT

December 31, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 7/2/03

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Salter
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Baton
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EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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Chartered
Public
Accountants
Business
Advisers

INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS

Honorable Brian Wilson, Assessor
East Baton Rouge Parish Assessor's Office
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the East Baton Rouge Parish Assessor's Office as of December 31, 2002, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the East Baton Rouge Parish Assessor's Office's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the East Baton Rouge Parish Assessor's Office as of December 31, 2002, the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2000 on our consideration of the East Baton Rouge Parish Assessor's Office's internal control over financial reporting, and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

June 13, 2000

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

General Purpose Financial Statements

December 31, 1992

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Exhibit A

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 2007

	Governmental Fund Type General	Account Groups		Total (Minority Only)
		General Fund Assets	General Long Term Debt	
ASSETS				
Assets				
Cash and cash equivalents	\$ 1,404,678	\$ -	\$ -	\$ 1,404,678
Investments	1,400,000	-	-	1,400,000
Accrual interest receivable	1,000	-	-	1,000
Equipment, at cost	-	481,860	-	481,860
Total Assets	3,805,738	481,860	-	4,287,598
Other Debts				
Amount to be provided for retirement of general long term debt	-	-	28,627	28,627
Total Other Debts	-	-	28,627	28,627
Total Assets and Other Debts	\$ 3,805,738	\$ 481,860	\$ 28,627	\$ 4,315,225
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 4,396	\$ -	\$ -	\$ 4,396
Compensated absences	-	-	28,627	28,627
Total Liabilities	4,396	-	28,627	33,023
Equity and Other Credits				
Investment in general fund assets	-	481,860	-	481,860
Fund balance				
Unreserved, undesignated	3,801,542	-	-	3,801,542
Total equity and other credits	3,801,542	481,860	-	4,283,402
Total Liabilities, Equity and Other Credits	\$ 3,805,738	\$ 481,860	\$ 28,627	\$ 4,315,225

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE*General Fund**Year Ended December 31, 2002**Statement of Revenues, Expenditures and Changes
in Fund Balance*

Revenues	
Ad valorem taxes	\$ 2,713,889
Charges for services	89,482
Interest	77,699
Miscellaneous	461
Total Revenues	<u>2,881,442</u>
Expenditures	
Current:	
General government	
Personnel services	2,876,828
Other services and charges	193,713
Supplies	30,173
Capital outlay	36,399
Total Expenditures	<u>3,137,013</u>
Excess of Revenues Over Expenditures	851,627
Fund Balances	
Beginning	<u>3,248,915</u>
Ending	<u>\$ 3,801,542</u>

EAST RATON NOUDGE PARISH ASSESSOR'S OFFICE

General Fund Year Ended December 31, 2002

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	Actual as of 6/30/02	Adjustment to Budget	Budget	Budget	Variance - Favorable (Unfavorable)
Revenues					
All revenues less:	\$ 2,717,000	\$ -	\$ 2,717,000	\$ 2,700,000	\$ 17,000
Charge to service	89,403	-	89,403	87,000	2,403
Interest	77,000	(5,000)	72,000	-	72,000
Miscellaneous	803	-	803	-	803
Total Revenues	2,884,206	(5,000)	2,884,206	2,787,000	117,206
Expenditures					
Current					
General government	2,070,500	-	2,070,500	2,047,500	23,000
Personnel services	301,700	-	301,700	294,000	7,700
Other services and charges	33,170	31,500	64,670	89,000	15,330
Supplies	24,000	-	24,000	23,000	1,000
Capital outlay					
Total Expenditures	2,430,370	31,500	2,461,870	2,447,500	14,370
Excess of Revenues Over Expenditures	453,836	(36,500)	417,336	339,500	77,836
Fund Balance					
Beginning	3,240,000	15,500	3,255,500	3,255,500	-
Ending	\$ 3,693,836	\$ 11,500	\$ 3,705,336	\$ 3,595,000	\$ 110,336

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements

December 31, 2002

1. Summary of Significant Accounting Policies

As provided by Article VII, Section 26 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a four year term. The Assessor assesses all real and movable property in the parish, subject to all valuations taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies.

The Assessor's office is located in the East Baton Rouge Parish Courthouse in Baton Rouge, Louisiana. The Assessor's Office employs 34 employees. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2002, there are 195,364 real property assessments totaling \$2,513,685,466. This represents an increase of 1,873 assessments and an increase of \$96,147,183 in assessed value over the prior year.

A. Basis of Presentation

The accompanying general purpose financial statements of the East Baton Rouge Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the East Baton Rouge Parish Council is the financial reporting entity for the East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (the parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the East Baton Rouge Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or,
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the council does not appoint the Assessor, does not provide funding (other than the use of facilities), or have any control over the Assessor, the Assessor has determined that the office is not a component unit of the East Baton Rouge Parish Council. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the council, the general government services provided by that governmental unit, or for other governmental units that comprise the financial reporting entity of East Baton Rouge Parish.

C. Fund Accounting

The Assessor uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable available financial resources.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

Funds of the assessor are classified as governmental funds. Governmental funds account for the assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the assessor include:

General Fund. The General Fund, (known as the Assessor's Salary and Expense Fund) as provided by Louisiana Revised Statute 47:1906, is the principal fund of the assessor and accounts for the operation of the assessor's office. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908, is accounted for in this fund. General operating expenditures are paid from this fund.

Account Group. The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues. Tax revenue is recognized in the budgetary period for which the taxes are collected. Revenues are received from the Sheriff and Tax Collector of East Baton Rouge Parish in varying periodic payments as the ad valorem taxes are collected. Ad valorem taxes are assessed on December 1, for the calendar year, become due on December 31, and are considered past due and subject to penalties if not paid by January 31, of the following year. Interest revenue is recognized when earned.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 1992

F. Budgets

Annually, the Assessor's Office adopts a budget for the General Fund on the cash basis, therefore, adjustments were made on Exhibit C to include prior year accruals and remove current year accruals from the actual amounts for comparison purposes to the budgeted amounts. The budgetary practices include public notice, inspection and hearing requirements, which must be completed prior to December 15 of each year. Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts are as originally adopted. The Assessor has administrative authority to make changes or amendments within various budget classifications. No amendments have been made to the original budget.

G. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and include certificates of deposit and Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1321. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at cost. Interest is earned as earned.

G. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed asset account group. No depreciation has been provided on general fixed assets and no assets less than \$500 are capitalized in the general fixed asset account group. All fixed assets are valued at historical cost.

H. Compensated Absences

Employees of the Assessor's Office earn from five to twenty days of paid vacation leave per year, depending on length of service, and twelve days of paid sick leave. They are allowed to accrue up to twelve vacation days. These days are recorded in the long term debt account.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

group. In accordance with FASB Statement No. 16, vested or accumulated vacation leave is accrued and recorded as earned. In accordance with the provision of Statement of Financial Accounting Standards No. 43, *Accounting For Compensated Absence*, no liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

I. Total Columns On Statements

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Risk Management

The Assessor's Office is exposed to various risks of loss related to tests; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor's Office purchases commercial insurance policies at levels which management believes is adequate to protect the Assessor's Office. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

K. Deferred Compensation Plan

The Assessor's Office offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full-time employees of the Assessor's Office, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) in the Louisiana Public Employees Deferred Plan and are held in trust for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute a portion of their salary with the Assessor's Office matching up to 4% per month, but total contributions may not exceed the amount determined under IRS regulations. All contributions are immediately vested. The Assessor's Office contributed \$42,038 to the plan during the year ended December 31, 2002.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

2. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes.

	Authorized Millage	Levied Millage
Assessor's Salary and Expense Fund	1.60	1.48

The following are the principal taxpayers for the parish:

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Exxon-Mobil	Oil and chemical refining	\$ 179,299,210	7.00%
Energy Gulf States, Inc.	Utility	37,982,500	1.29%
BellSouth Communications	Telephone company	31,398,700	2.64%
Georgia Pacific Corporation	Pulp processing	49,656,899	1.96%
Hibernia National Bank	Commercial banking	36,421,800	1.49%
Bank One	Commercial banking	25,237,100	1.00%

3. Cash and Cash Equivalents

At December 31, 2002, the assessor has cash and cash equivalents (bank balances) consists of the following:

Demand deposits	\$	73,877
Time deposits		399,080
Repurchase agreements		487,764
Louisiana Asset Management Pool (LAMP)		<u>1,325,037</u>
	\$	<u>1,485,638</u>

These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

At December 31, 2002, the assessor has \$1,088,468 in deposits (collected bank balances). These deposits are secured from risk by \$399,000 of federal deposit insurance and \$689,468 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advance and sell the pledged securities within 30 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

In accordance with GASB Codification Section 190.116, the investment in LAMP at December 31, 2002 (\$1,325,007) is not categorized in the three risk categories provided by GASB Codification Section 190.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., an non-profit corporation organized under the laws of the State of Louisiana. Only local government entities have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2933. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchased agreements collateralized by those securities.

Effective August 1, 2004, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2004 Regular Session, the Louisiana Legislature (Senate Bill No. 302, Act 700) enacted LSA-R.S. 33:2933(A)(1)(b) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2003, LAMP's investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 387 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

4. Investments

The Assessor's investments are categorized into three categories of credit risk:

- Category 1.* Insured or collateralized with securities held by the entity or by its agent in the entity's name.
Category 2. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
Category 3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the entity's name

At fiscal year-end the assessor's investment balances were as follows:

	Book Balance	Categories		
		1	2	3
Certificates of Deposit	\$ 1,400,000	\$ 400,000	\$ -	\$ 1,000,000

5. Changes in General Fixed Assets

A summary of changes in equipment follows.

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Equipment	\$ 475,273	\$ 30,399	\$ 30,707	\$ 480,005

6. Retirement Commitments

Louisiana Assessors' Retirement Fund

Plan Description and Provisions. Substantially all employees of the East Baton Rouge Parish Assessor's Office are members of the Louisiana Assessors' Retirement System

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Note to Financial Statements, Continued

December 31, 2002

("System"), a cost sharing, multiple employer defined benefit pension plan administered by a separate Board of Trustees.

All full time employees who are under the age of 60 at the time of original employment and who are not drawing earned retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service, or who retire at or after age 58 with at least 36 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final average salary for each year of credited service, not to exceed 100% of their final average. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898-0699, or by calling (225) 926-8886.

Description of Funding Policy. Plan members are required by state statute to contribute 8.8 percent of their annual covered salary and the East Baton Rouge Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 14.8 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the East Baton Rouge Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuations for the prior fiscal year. The East Baton Rouge Parish Assessor's contributions to the System for the years ending December 31, 2002, 2001, and 2000 were \$173,344, \$113,401 and \$68,087 respectively, equal to the required contributions for each year.

7. Post Retirement Commitments

The Assessor's Office provides certain health care and life insurance benefits for retired employees. Substantially all of the Assessor's office employees may become eligible for these benefits if they reach normal retirement age while working for the Office. The cost of the retiree health care and life insurance benefits is recognized as expenditures as monthly premiums are

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

paid. For 2002, those costs totaled \$113,657. The number of retiree's currently receiving benefits is 22.

B. GASB 34 Implementation

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

- A. Management Discussion and Analysis (MD&A) section providing an analysis of the government entity's overall financial position and results of operations.
- B. Basic Financial Statements:
 1. Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. These statements are designed to provide a broad overview of a government entity's finances, in a manner similar to private sector business.
 2. Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds, using the modified accrual basis of accounting, and enterprise funds, if any.
 3. Notes to the financial statements that include various disclosures for the government-wide and fund financial statements to ensure that a complete picture is presented.
 4. Required supplementary information, such as budgetary comparison schedules.

In addition, this new GASB statement requires depreciation expense to be reported in the government-wide financial statements. However, depreciation expense will not be reported in the fund statements that use the modified accrual basis of accounting.

The Assessor's office will implement the general provisions of GASB Statement No. 34 by the fiscal year ending December 31, 2004.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2002

9. Compensated Absences

At December 31, 2002, employees of the Assessor's Office have accumulated and vested \$28,627 of annual vacation benefits, which was computed in accordance with GASB Codification Section C90. The amount is recorded within the general long-term debt account group.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Brian Wilson, Assessor
East Baton Rouge Parish Assessor's Office
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the East Baton Rouge Parish Assessor's Office as of and for the year ended December 31, 2002, and have issued our report thereon dated June 13, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the East Baton Rouge Parish Assessor's Office's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the East Baton Rouge Parish Assessor's Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation

of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting and other operational matters that we have reported to East Baton Rouge Parish Assessor's Office in a separate letter dated June 13, 2003.

This report is intended for the information of the Assessor, management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

June 13, 2003



United
Nations
Assessment
Business
Advisors

MANAGEMENT LETTER

Honorable Brian Wilson, Assessor
East Baton Rouge Parish Assessor's Office
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of the East Baton Rouge Parish Assessor's Office for the year ended December 31, 2002, we considered the Office's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Office's internal control in our report dated June 12, 2003. This letter does not affect our report dated June 12, 2003 on the financial statements of the East Baton Rouge Parish Assessor's Office.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with appropriate members of management, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comments are as follows:

Policy for Use of Cellular Phones

The East Baton Rouge Assessor's Office does not have a formal policy for the use of cellular phones. A formal policy would provide guidance for the business use and care of cellular phones.

During the year ended December 31, 2002 the Office's funds were used to pay for cellular charges totaling \$184. (Approximately \$37 a month per phone). The Assessor's office has two cellular phones that are assigned to the Assessor and his chief deputy. Although the cost for each phone was customarily within the plan limits there is no evidence of review for propriety and reasonableness of phone usage.

The East Baton Rouge Parish Assessor's Office should adopt a formal policy for the business use of cellular phones and review the detailed monthly bill to ensure that the policy is being followed.

Senior Citizens Exemption

In accordance with article 7:180(1) of the Louisiana Constitution, residential property receiving "Homestead Exemption" is entitled to a special assessment level if it is owned and occupied by a person or persons sixty-five years or older who qualify based on their personal income level.

The law states that "an eligible owner shall apply for the special assessment level by filing a signed application establishing that the owner qualifies for the special assessment level with the assessor of the parish". The law does not specify whether the Assessor has a duty to verify the owner's statement of eligibility on each application. Our preliminary research indicates that Assessors in Louisiana are applying a variety of methods in an effort to comply with this law.

The East Baton Rouge Parish Assessor's Office is complying with this law as it interprets it by requiring owners to file a signed application stating that they are eligible for the special assessment.

We recommend you request the Louisiana Tax Commission to issue guidelines that can be used by Louisiana assessors to fulfill the requirements of this law.

PROVOST, SALTER, HARPER & ALFORD, LLC

Provost, Salter, Harper & Alford, L.L.C.

June 13, 2009



Brian Wilson
AUDITOR

June 13, 2003

Provost, Saker, Harper & Alfred, L.L.C.
8550 United Plaza Blvd., Suite 600
Baton Rouge, LA 70809

In response to your management letter dated June 13, 2003, please be advised that we believe we are in compliance with the laws and regulations that are relevant to the East Baton Rouge Parish Auditor's office. We do appreciate your staff's recommendations for opportunities to improve our operating practices.

Policy for use of cellular phones

Although we believe the office's cell phone usage is very reasonable, we do see the benefit of documenting a formal policy and will document that policy in writing. We will also review the detailed monthly invoices to ensure that the policy is being followed.

Senior Citizens Exemption

Based on your recommendation, we will request the Louisiana Tax Commission to issue guidelines relative to the verification of the eligibility requirements of the law.

We appreciate the professionalism of your staff during the conduct of this audit engagement.

Sincerely,

A handwritten signature in cursive script that reads "Brian Wilson".

Brian Wilson, Auditor
East Baton Rouge Parish